

810-4-3-.04 Authorization for Abatement.

(1) Noneducational property taxes may be abated with respect to private use industrial property.

(a) Educational taxes, defined as property taxes that must, pursuant to the Constitution of Alabama of 1901, as amended, legislative act, or the resolution or other action of the governing board authorizing the tax, be used for educational purposes or for capital improvements for education, cannot be abated.

(b) Educational taxes shall also be defined as those taxes dedicated solely for educational purposes or a specified percentage thereof.

(2) No abatement of noneducational property taxes may exceed the maximum exemption period.

(a) Maximum exemption period shall be equal to the shorter of:

1. Ten years from and after:

(i) The date of initial issuance by a county, city, or public authority of bonds to finance any costs of a private use property, or

(ii) If no such bonds are ever issued, the later of: (i) the date on which title to such property was acquired by or vested in such county, city, or public authority, or (ii) the date on which such property is or becomes owned, for federal income tax purposes, by a private user; or

(3) The weighted average economic life of the assets comprising such property, determined consistently with the provisions of 26 U.S.C. §147(b) and measured from the date such property is placed in service.

Author: Jennifer D. Hughes

Authority: Section 40-2A-7(a)(5), Title 40, Section 9B, Code of Alabama 1975

History: Filed October 29, 1992. Refiled with LRS November 16, 1992. Certification filed with LRS February 26, 1993, effective April 1, 1993.

Amended: Filed December 15, 2004, effective January 19, 2005.